

Internal Revenue Service  
**memorandum**

CC:TL:Br2  
RLOsborne

date: OCT 14 1988

to: District Counsel, Dallas, Texas  
Attn: George Gasper

from: Director, Tax Litigation Division CC:TL

subject: [REDACTED]

We hereby respond to your October 11, 1988, phone request for written technical advice.

ISSUE

Whether or not the presently signed Form 872 and Form 872-P are sufficient to extend the statute of limitations for all members of the group.

FACTS

Until [REDACTED], [REDACTED] and several other corporations were owned by [REDACTED]. [REDACTED] a Delaware Corp., was the common parent of the group, which filed consolidated returns. [REDACTED], in turn, was owned by a master limited partnership. In [REDACTED], [REDACTED] liquidated its subsidiaries, including [REDACTED], and [REDACTED] was then liquidated. [REDACTED]'s assets were distributed to the master limited partnership.

Exams is auditing the group for [REDACTED] and [REDACTED]. Exams is also auditing a partnership, [REDACTED], of which [REDACTED] was general partner. Exams has obtained Forms 872 for the group, executed by the master limited partnership, as successor to [REDACTED]. Exams has also obtained a Form 872P for [REDACTED], executed by the master limited partnership, as successor to [REDACTED].

DISCUSSION AND CONCLUSION

The master limited partnership is not a successor to the liquidated corporations, but rather a transferee. Moreover, since the old common parent, [REDACTED], has been liquidated, and no new agent for the group was designated, the

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group agency has probably terminated. 1/ Accordingly, it would be best to obtain Forms 872 from each subsidiary separately. In addition, since the assets are now in the master limited partnership, Exams should obtain transferee consents from the master limited partnership on Forms 977 regarding both the group members and [REDACTED]. In connection with the group audit, the master limited partnership should execute the Form 872 as transferee of [REDACTED], which in turn is transferee and successor of each former subsidiary which liquidated into [REDACTED].

MARLENE GROSS

By:

  
ALFRED C. BISHOP  
Chief, Branch No. 2  
Tax Litigation Division

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1/ Treas. Reg. § 1.1502-77(d). We could argue that under Delaware law a corporation continues in existence for purposes of winding up, and therefore continues in existence for purposes of Reg. 1.1502-77(d). However, this position has litigating hazards.